

**UNIFIED SCHOOL DISTRICT NO. 322**  
Onaga, Kansas

REGULATORY BASIS  
FINANCIAL STATEMENTS  
For the year ended June 30, 2018

And

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

...**KL**...

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***Certified Public Accountants***

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UNIFIED SCHOOL DISTRICT NO. 322

Onaga, Kansas

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**Karlin & Long, LLC**  
*Certified Public Accountants*

Board of Education  
Unified School District No. 322  
Onaga, Kansas

**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 322 Onaga, Kansas as of and for the year ended June 30, 2018, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1: this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statement, the financial statement is prepared by the Unified School District No. 322, Onaga, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 322, Onaga, Kansas as of June 30, 2018 or changes in financial position and cash flows thereof for the year then ended.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 322, Onaga, Kansas as of June 30, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the 2016 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of receipts and expenditures – nonbudgeted funds, schedule of regulatory basis receipts and expenditures – agency funds and schedule of receipts, expenditures and unencumbered cash – district activity funds (Schedules 1, 2, 3, 4 and 5 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic

financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

A handwritten signature in black ink that reads "Karlin & Long, LLC". The script is cursive and fluid, with the letters "K", "L", and "C" being particularly prominent.

Karlin & Long, LLC  
Certified Public Accountants

Lawrence, KS  
December 29, 2018

USD #322 ONAGA, KANSAS  
Summary Statement of Receipts, Expenditures, and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2018

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>General Funds</b>							
General	\$ 485	0	\$ 2,511,863	\$ 2,512,292	\$ 56	\$ 200	\$ 256
Supplemental General	44,600	433	863,564	828,320	80,277	10,977	91,254
<b>Special Purpose Funds</b>							
Career and Postsecondary Education	57,800	440	92,521	120,825	29,936	4,162	34,098
Special Education	71,369	0	454,598	455,488	70,479	4	70,483
Driver Education	16,266	0	4,872	8,642	12,496		12,496
Food Service	37,088	0	164,393	181,689	19,792		19,792
Capital Outlay	243,537	3,807	239,883	200,138	287,089		287,089
Gifts and Grants	1,139	188	4,473	3,119	2,681	360	3,041
Professional Development	30,841	0	31,387	50,843	11,385		11,385
KPERS Special Contribution	0	0	244,924	244,924	0		0
At Risk (K-12)	149,796	0	234,960	287,503	97,253		97,253
District Activity Funds	47,683	0	217,022	198,251	66,454		66,454
Textbook Rental Fund	34,127	0	26,794	5,164	55,757		55,757
Contingency Reserve Fund	246,270	0	0	0	246,270		246,270
Title I	0	0	45,219	45,219	0		0
Kansas Reading Roadmap	(35,193)	0	159,085	131,033	(7,141)		(7,141)
Title V	0	0	28,466	46,200	(17,734)		(17,734)
REAP Grant	0	0	4,945	4,945	0		0
Title IIA - Teacher Quality	0	0	10,658	10,771	(113)		(113)
<b>Trust Funds:</b>							
<b>Expendable Scholarship Funds</b>							
Dale Koelling Fund	13,774	0	106	250	13,630		13,630
Barbara Hefty Fund	2,337	0	16	0	2,353		2,353
Edna Casey Fund	2,545	0	18	500	2,063		2,063
Clarence Kroth Fund	42,858	0	0	333	42,525		42,525
Ron Marten Fund	5,663	0	939	500	6,102		6,102
<b>Nonexpendable Scholarship Funds</b>							
Carl/Elsie Lewis Fund	60,143	0	397	344	60,196		60,196
Rodney W. Nolte Fund	4,375	0	24	29	4,370		4,370
Grover/margot Eddy Fund	1,630	0	9	100	1,539		1,539
Gruzmacher-Gregg Fund	8,995	0	51	59	8,987		8,987
Lewis Paulsen Fund	1,395	0	7	25	1,377		1,377
Richard Deschant Fund	2,402	0	14	0	2,416		2,416
Schane Fund	34,739	0	195	198	34,736		34,736
Dick "Coach" Rosenfield Fund	15,724	0	6,184	21,543	365		365
Lucille McGuire Scholarship	25,667	0	505	0	26,172		26,172
Cecil L. Paulsen Fund	53,401	0	303	358	53,346		53,346
<b>Total Reporting Entity</b>	<b>\$ 1,221,456</b>	<b>\$ 4,868</b>	<b>\$ 5,348,395</b>	<b>\$ 5,359,605</b>	<b>\$ 1,215,114</b>	<b>\$ 15,703</b>	<b>\$ 1,230,817</b>
<b>Composition of Cash</b>							
					Checking Accounts		\$ 1,025,372
					Savings Accounts		260,177
					Certificates of Deposit		1,285,549
					Total Cash		54,732
					Agency Funds per Statement 4		
					Total Reporting Entity		\$ 1,230,817

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 322  
Onaga, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – Summary of Significant Accounting Policies**

**Municipal Financial Reporting Entity**

USD No. 322 is a municipal corporation governed by an elected seven member board. The financial statement presents USD No. 322 (the primary government). The district has no related municipal entities.

**Fund Descriptions**

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the year 2018:

**Governmental Funds**

**General Fund** – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

**Special Purpose Funds** – Used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long term debt) that are intended for specified purposes

**Trust Funds** – Funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose funds which benefit the municipal reporting entity, scholarship funds, etc.).

**Agency Funds** – Funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, activity accounts, etc.).

UNIFIED SCHOOL DISTRICT NO. 322  
Onaga, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

**Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America**

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

**Reimbursed Expenses**

Expenditures in the amount of \$39,001 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.



UNIFIED SCHOOL DISTRICT NO. 322  
Onaga, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

**Budgetary Information**

Kansas Statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5<sup>th</sup>.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments during the year 2018.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the district for future payments and are supported by a document evidencing the commitment, such

UNIFIED SCHOOL DISTRICT NO. 322  
Onaga, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

**Budgetary Information (Continued)**

as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital projects funds and trust funds and the following special purpose funds:

Title IIA Fund	Contingency Reserve Fund
District Activity Funds	Title I Fund
Textbook Rental	Title V
Kansas Reading Roadmap Grant	

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

**Inventories and Prepaid Expenses**

Inventories and prepaid expenses which benefit future periods are recorded as expenditures.

**Use of Estimates**

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated

**NOTE 2 – Deposits and Investments**

**Deposits**

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the government is located, or in an adjoining county if such institution has been designated as an official depository, and the bank provides an acceptable rate of return on funds. In

UNIFIED SCHOOL DISTRICT NO. 322  
Onaga, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – Deposits and Investments (continued)**

**Deposits (continued)**

addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The government has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. The District had no investments during 2018.

**Concentration of Credit Risk**

State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2018.

At June 30, 2018, the District's carrying amount of deposits was \$1,285,549 and the bank balance was \$1,508,196. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and the balance was collateralized with securities held by the pledging financial institutions' agents in the district's name.

UNIFIED SCHOOL DISTRICT NO. 322  
Onaga, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – Deposits and Investments (continued)**

**Custodial Credit Risk – Investments**

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

**NOTE 3 – Defined Benefit Pension Plan**

**Plan Description** – USD 322, participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas; Topeka, KS 66603) or by calling 1-888-275-5737.

**Contributions** – K.S.A 74-4919 and K.S.A. 74-49,210 establish the KPERS member employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015 Kansas law established the KPERS member-employee contributions rate of 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium for the period of July 1, 2017 through September 30, 2017 for the Death and Disability Program) was 10.81% for the fiscal year ended June 30, 2017 the actuarially determined employer contribution rate was 12.01% for the fiscal year June 30,

UNIFIED SCHOOL DISTRICT NO. 322  
Onaga, Kansas

NOTES TO FINANCIAL STATEMENTS

**NOTE 3 – Defined Benefit Pension Plan**

2018, Per 2016 House Substitute for Senate Bill 161, Section 98(a)(1), state general fund expanded lottery act revenue funds for employer contributions to KPERS deferred. The amount deferred for school contributions was \$92,917,091 for the fiscal year ended June 30, 2016 and the anticipated repayments per SB249 for nullified per HB2052 during the year 2017

The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2017, received as of June 30<sup>th</sup> was \$304,596,361. Per the 2017 Senate Substitute for the House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at level dollar amount commencing in fiscal year 2018. The level dollar was computed to be \$6.4 million dollars per year.

The State of Kansas is required to contribute the statutory required employers share except for the retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$244,924 for the year ended June 30, 2018

**Net Pension Liability** At June 30, 2018 the District's proportionate share of collective net pension liability reported by KPERS was \$2,749,133. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The Districts proportion of the net pension liability was based on the ratio of the Districts contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2017. Since KMAAG regulatory basis of accounting does not recognize long -term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

UNIFIED SCHOOL DISTRICT NO. 322  
Onaga, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – Risk Management**

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the district carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

**NOTE 5 – Stewardship, Compliance and Accountability**

We noted no violations of Kansas Statutes for the period under audit.

**NOTE 6 – Compensated Absences**

The district has the following policies regarding vacation and discretionary leave:

Each full time teacher shall be credited with 12 discretionary leave days accumulative to 90 days. Discretionary leave may be used at the discretion of the teacher and include absences for illness, emergency or personal reasons. Teachers shall be allowed two days of non-accumulative bereavement leave in addition to the allowable number for sick leave. The teachers administer a sick leave pool comprised of unlimited donations, with a maximum of 90 days of borrowed leave to be used by each person requesting leave.

Any teacher called to jury duty is granted paid leave and such leave is not deducted from the employee's credit paid leave. Any court payments to the employee, except mileage reimbursement, are forfeitable to the district.

The superintendent is allowed twelve days sick leave accumulative to 90 days, 20 days paid vacation annually, three days personal leave, and two days non-accumulative bereavement leave.

The principles are allowed twelve days sick leave accumulative to 90 days, three days personal leave, and three days non-accumulative bereavement leave.

Other classified personnel are eligible for compensated absences dependent upon their classification based on the following:

UNIFIED SCHOOL DISTRICT NO. 322  
Onaga, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – Compensated Absences (continued)**

12-month employees, 12 days sick leave, 90 days accumulative, 3 days personal leave and 2 days bereavement leave.

10.5 month employees, 11 days sick leave, 80 days accumulative, 3 days personal leave, 2 days bereavement.

9-month employees, 9 days sick leave, 60 days accumulative, 2 days personal leave, 2 days bereavement

Unused sick leave days shall be added to the next year's accumulative days up to the maximum allowed. Any classified employee called to jury duty is granted

paid leave and such leave is not deducted from the employee's credit paid leave.

Any court payments to the employee, except for mileage reimbursement, are forfeitable to the district. The classified employee's unused personal leave may accumulate as sick leave.

The District has not accrued compensated absences because the amount cannot be reasonably estimated.

**NOTE 7 – Other Post Employment Benefits**

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the district is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these statements. Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

**NOTE 8 – Contingency**

The District receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request

UNIFIED SCHOOL DISTRICT NO. 322  
Onaga, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – Contingency (continued)**

for reimbursement by federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate agency. Any liability for reimbursement which may arise as a result of these audit cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

**NOTE 9 – Interfund Transactions**

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Professional Development	K.S.A. 72-6478	\$ 12,500
General Fund	Special Education Fund	K.S.A. 72-6478	295,693
General Fund	Career and Postsecondary	K.S.A. 72-6478	31,160
General Fund	At Risk (K-12) Fund	K.S.A. 72-6478	100,000
Supplemental General	Professional Development	K.S.A. 72-6478	18,887
Supplemental General	Special Education Fund	K.S.A. 72-6478	140,561
Supplemental General	Career and Postsecondary	K.S.A. 72-6478	58,614
Supplemental General	At Risk (K-12) Fund	K.S.A. 72-6478	134,960

**NOTE 10 – Other Long Term Obligations**

Termination Benefits – Any teacher desiring to resign from his or her primary contract for the next contract year and retiring per terms and conditions of the KPERS 85-point rule who notify the Board in writing on or before January 1 or March 1 of the current contract year shall be paid a \$1,000 or \$500 incentive in his or her final paycheck from the district.

A teacher with 20 or more years of continuous service in the district will be eligible for a bonus upon leaving the district in the amount of \$100 per discretionary leave days accumulated with a maximum of 30 days eligible.

Fringe Benefits – All teachers whose contract with the district includes 630 or more instructional hours per year and classified personnel whose contract includes 630 or more contracted duty hours per contract year shall have the right to participate in the district's group health insurance plan which is the State of Kansas Health Insurance Plan. The district contribution is required at 95% of single coverage.



UNIFIED SCHOOL DISTRICT NO. 322  
Onaga, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 – Other Long Term Obligations (Continued)**

If an employee elects dependent coverage, the district is required to contribute an additional 35 % toward the dependent premium cost.

All teachers and classified personnel have the opportunity to voluntarily participate in the district's Plan 125, an employee Salary Reduction Plan (Section 125 Cafeteria Plan in compliance with Section 125 of the Internal Revenue Code). The following options are available for salary reduction:

- A. Group health insurance
- B. Salary protection/disability
- C. Group life insurance
- D. Reimbursement for out-of-pocket medical expenses
- E. Reimbursement for out-of-pocket dependent care expenses

**NOTE 11 – In Substance Receipt in Transit**

The District received \$187,273 subsequent to June 30, 2018 and as required by K.S.A 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2018.

**NOTE 12 – Subsequent Events**

Subsequent events for management's review have been evaluated through December 29, 2018. The date in the prior sentence is the date the financial statements were available to be issued.

**Unified School District No. 322, Onaga, Kansas**

**Regulatory-Required**

**Supplementary Information**

**For the year ended June 30, 2018**

USD #322 ONAGA, KANSAS  
Summary of Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2018

Funds	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Funds						
General	\$ 2,580,665	\$ (107,361)	\$ 39,001	\$ 2,512,305	\$ 2,512,292	\$ (13)
Supplemental General	799,886	(28,434)	0	828,320	828,320	0
Special Purpose Funds						
Career and Postsecondary Education	205,500	0	0	205,500	120,825	(84,675)
Special Education	500,452	0	0	500,452	455,488	(44,964)
Driver Training	18,000	0	0	18,000	8,642	(9,358)
Food Service	232,654	0	0	232,654	181,689	(50,965)
Capital Outlay	537,100	0	0	537,100	200,138	(336,962)
Gifts and Grants	158,439	0	0	158,439	3,119	(155,320)
Professional Development	50,843	0	0	50,843	50,843	0
KPERS Special Contribution	242,626	0	0	242,626	244,924	2,298
At-Risk Fund (K-12)	363,962	0	0	363,962	287,503	(76,459)

USD #322 ONAGA, KS  
GENERAL FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2018

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral tax	43		43
Federal grants			0
State aid/grants	2,472,819	2,580,665	(107,846)
Charges for services			0
Interest income			0
Miscellaneous revenues	39,001		39,001
Operating transfers			0
<b>Total Cash Receipts</b>	<u>2,511,863</u>	<u>2,580,665</u>	<u>(68,802)</u>
<b>EXPENDITURES</b>			
Instruction	1,135,803	1,184,950	(49,147)
Student support services	108,201	127,200	(18,999)
Instruction support staff	94,879	99,250	(4,371)
General administration	169,476	97,050	72,426
School administration	242,894	166,500	76,394
Operations and maintenance	120,379	162,000	(41,621)
Student transportation services	119,207	126,950	(7,743)
Central support services	82,100	90,236	(8,136)
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	439,353	526,529	(87,176)
Adjustment to comply with legal max		(107,361)	107,361
Adjustment for qualifying budget credits		39,001	(39,001)
<b>Total Expenditures</b>	<u>2,512,292</u>	<u>\$ 2,512,305</u>	<u>\$ (13)</u>
Receipts Over (Under) Expenditures	(429)		
Unencumbered Cash, Beginning	485		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 56</u>		

USD #322 ONAGA, KS  
 SUPPLEMENTAL GENERAL FUND  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2018

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 520,180	\$ 533,393	\$ (13,213)
Delinquent tax	6,644	7,173	(529)
Motor vehicle tax	36,721	38,089	(1,368)
RV tax	1,997	1,176	821
Commercial Trucks tax	9,829	1,709	8,120
Federal grants			0
State aid/grants	286,473	287,213	(740)
Charges for services			0
Interest income			0
Miscellaneous revenues	1,720		1,720
Operating transfers			0
<b>Total Cash Receipts</b>	<u>863,564</u>	<u>868,753</u>	<u>(5,189)</u>
<b>EXPENDITURES</b>			
Instruction	156,816	197,721	(40,905)
Student support services	16,662	3,000	13,662
Instruction support staff	8,543	3,500	5,043
General administration	32,608	26,500	6,108
School administration	20,563	19,500	1,063
Operations and maintenance	200,613	198,000	2,613
Student transportation services			0
Central support services	3,796	3,800	(4)
Other support services	35,697	34,000	1,697
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	353,022	370,733	(17,711)
Adjustment to comply with legal max		(28,434)	28,434
Adjustment for qualifying budget credits			0
<b>Total Expenditures</b>	<u>828,320</u>	<u>\$ 828,320</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	35,244		
Unencumbered Cash, Beginning	44,600		
Prior Year Cancelled Encumbrances	<u>433</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 80,277</u>		

USD #322 ONAGA, KS  
 CAREER AND POSTSECONDARY EDUCATION FUND  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2018

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	2,747		2,747
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers	<u>89,774</u>	<u>150,000</u>	<u>(60,226)</u>
Total Cash Receipts	<u>92,521</u>	<u>150,000</u>	<u>(57,479)</u>
<b>EXPENDITURES</b>			
Instruction	120,825	205,500	(84,675)
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>120,825</u>	<u>\$ 205,500</u>	<u>\$ (84,675)</u>
Receipts Over (Under) Expenditures	(28,304)		
Unencumbered Cash, Beginning	57,800		
Prior Year Cancelled Encumbrances	<u>440</u>		
Unencumbered Cash, Ending	<u>\$ 29,936</u>		

USD #322 ONAGA, KS  
SPECIAL EDUCATION FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	1,617	13,400	(11,783)
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	16,727		16,727
Operating transfers	<u>436,254</u>	<u>422,927</u>	<u>13,327</u>
Total Cash Receipts	<u>454,598</u>	<u>436,327</u>	<u>18,271</u>
<b>EXPENDITURES</b>			
Instruction	427,571	450,352	(22,781)
Student support services			0
Instruction support staff	57	100	(43)
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services	27,860	50,000	(22,140)
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>455,488</u>	<u>\$ 500,452</u>	<u>\$ (44,964)</u>
Receipts Over (Under) Expenditures	(890)		
Unencumbered Cash, Beginning	71,369		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 70,479</u>		

USD #322 ONAGA, KS  
 DRIVER TRAINING FUND  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2018

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	1,792	2,100	(308)
Charges for services	3,080		3,080
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
<b>Total Cash Receipts</b>	<u>4,872</u>	<u>2,100</u>	<u>2,772</u>
<b>EXPENDITURES</b>			
Instruction	7,026	8,000	(974)
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	1,616		1,616
Student transportation services			0
Central support services			0
Other support services		10,000	(10,000)
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
<b>Total Expenditures</b>	<u>8,642</u>	<u>\$ 18,000</u>	<u>\$ (9,358)</u>
 Receipts Over (Under) Expenditures	 (3,770)		
Unencumbered Cash, Beginning	16,266		
Prior Year Cancelled Encumbrances	<u>0</u>		
 Unencumbered Cash, Ending	 <u>\$ 12,496</u>		



USD #322 ONAGA, KS  
 FOOD SERVICE FUND  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2018

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	101,720	106,269	(4,549)
State aid/grants	1,816	1,750	66
Charges for services	58,925	77,548	(18,623)
Interest income			0
Miscellaneous revenues	1,932		1,932
Operating transfers		10,000	(10,000)
<b>Total Cash Receipts</b>	<u>164,393</u>	<u>195,567</u>	<u>(31,174)</u>
<b>EXPENDITURES</b>			
Instruction			0
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations	181,689	232,654	(50,965)
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
<b>Total Expenditures</b>	<u>181,689</u>	<u>\$ 232,654</u>	<u>\$ (50,965)</u>
Receipts Over (Under) Expenditures	(17,296)		
Unencumbered Cash, Beginning	37,088		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 19,792</u>		

USD #322 ONAGA, KS  
 CAPITAL OUTLAY FUND  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2018

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 179,731	\$ 168,787	\$ 10,944
Delinquent tax	1,937	2,710	(773)
Motor vehicle tax	13,716	14,129	(413)
RV tax	737	437	300
Commercial vehicle tax	3,695	634	3,061
Federal grants			0
State aid/grants	39,714	40,181	(467)
Charges for services			0
Interest income	353		353
Miscellaneous revenues		5,000	(5,000)
Operating transfers		57,602	(57,602)
<b>Total Cash Receipts</b>	<u>239,883</u>	<u>289,480</u>	<u>(49,597)</u>
<b>EXPENDITURES</b>			
Instruction	76,971	120,000	(43,029)
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	53,818	137,100	(83,282)
Student transportation services	36,272	50,000	(13,728)
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services	33,077	230,000	(196,923)
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
<b>Total Expenditures</b>	<u>200,138</u>	<u>\$ 537,100</u>	<u>\$ (336,962)</u>
Receipts Over (Under) Expenditures	39,745		
Unencumbered Cash, Beginning	243,537		
Prior Year Cancelled Encumbrances	<u>3,807</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 287,089</u>		

USD #322 ONAGA, KS  
GIFTS AND GRANTS FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2018

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	4,473	191,694	(187,221)
Operating transfers			0
	<u>4,473</u>	<u>191,694</u>	<u>(187,221)</u>
Total Cash Receipts			
	<u>4,473</u>	<u>191,694</u>	<u>(187,221)</u>
EXPENDITURES			
Instruction	3,119	129,714	(126,595)
Student support services			0
Instruction support staff		1,500	(1,500)
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services		27,225	(27,225)
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>3,119</u>	<u>158,439</u>	<u>(155,320)</u>
Total Expenditures			
	<u>3,119</u>	<u>\$ 158,439</u>	<u>\$ (155,320)</u>
Receipts Over (Under) Expenditures	1,354		
Unencumbered Cash, Beginning	1,139		
Prior Year Cancelled Encumbrances	<u>188</u>		

Unencumbered Cash, Ending \$ 2,681

NOTE: This is not a budgeted fund

USD #322 ONAGA, KS  
PROFESSIONAL DEVELOPMENT FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants		2,500	(2,500)
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers	<u>31,387</u>	<u>17,500</u>	<u>13,887</u>
Total Cash Receipts	<u>31,387</u>	<u>20,000</u>	<u>11,387</u>
<b>EXPENDITURES</b>			
Instruction			0
Student support services	49,231	48,818	413
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services	1,612	2,025	(413)
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>50,843</u>	<u>\$ 50,843</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(19,456)		
Unencumbered Cash, Beginning	30,841		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 11,385</u>		

USD #322 ONAGA, KS  
 KPERS SPECIAL RETIREMENT CONTRIBUTION FUND  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2018

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	244,924	242,626	2,298
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>244,924</u>	<u>242,626</u>	<u>2,298</u>
<b>Total Cash Receipts</b>	<u>244,924</u>	<u>242,626</u>	<u>2,298</u>
<b>EXPENDITURES</b>			
Instruction	164,099	129,626	34,473
Student support services	4,898	10,000	(5,102)
Instruction support staff	7,348	10,000	(2,652)
General administration	7,348	10,000	(2,652)
School administration	17,145	15,000	2,145
Operations and maintenance	17,145	20,000	(2,855)
Student transportation services	12,246	12,000	246
Central support services	7,348	12,000	(4,652)
Other support services		12,000	(12,000)
Food service operations	7,347	12,000	(4,653)
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>244,924</u>	<u>242,626</u>	<u>2,298</u>
<b>Total Expenditures</b>	<u>244,924</u>	<u>\$ 242,626</u>	<u>\$ 2,298</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 0</u>		

USD #322 ONAGA, KS  
 AT RISK FUND (K-12) FUND  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2018

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers	234,960	229,233	5,727
Total Cash Receipts	234,960	229,233	5,727
<b>EXPENDITURES</b>			
Instruction	287,503	363,962	(76,459)
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	287,503	\$ 363,962	\$ (76,459)
Receipts Over (Under) Expenditures	(52,543)		
Unencumbered Cash, Beginning	149,796		
Prior Year Cancelled Encumbrances	0		
Unencumbered Cash, Ending	\$ 97,253		

USD #322 ONAGA, KS  
NONBUDGETED FUNDS  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended June 30, 2018

	<u>Textbook Rental</u>	<u>Contingency Reserve</u>	<u>Title I</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants			45,219
State aid/grants			
Charges for services	26,794		
Interest income			
Miscellaneous revenues			
Operating transfers			
	<u>          </u>	<u>          </u>	<u>          </u>
Total Cash Receipts	<u>26,794</u>	<u>0</u>	<u>45,219</u>
<b>EXPENDITURES</b>			
Instruction	1,117		45,219
Student support services			
Instruction support staff	4,047		
General administration			
School administration			
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	<u>5,164</u>	<u>0</u>	<u>45,219</u>
 Receipts Over (Under) Expenditures	 21,630	 0	 0
Unencumbered Cash, Beginning	34,127	246,270	0
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
 Unencumbered Cash, Ending	 <u>\$ 55,757</u>	 <u>\$ 246,270</u>	 <u>\$ 0</u>

USD #322 ONAGA, KS  
NONBUDGETED FUNDS  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended June 30, 2018

	<u>Kansas Reading Roadmap Grant</u>	<u>Title V</u>	<u>REAP Grant</u>	<u>Title IIA</u>
<b>CASH RECEIPTS</b>				
Taxes and Shared Revenue				
Ad valorem property tax	\$	\$	\$	\$
Delinquent tax				
Motor vehicle tax				
RV tax				
Mineral production tax				
Federal grants		28,466	4,945	10,658
State aid/grants	158,496			
Charges for services				
Interest income				
Miscellaneous revenues	589			
Operating transfers				
	<u>159,085</u>	<u>28,466</u>	<u>4,945</u>	<u>10,658</u>
<b>Total Cash Receipts</b>				
	<u>159,085</u>	<u>28,466</u>	<u>4,945</u>	<u>10,658</u>
<b>EXPENDITURES</b>				
Instruction	115,139	46,200	4,945	10,771
Student support services				
Instruction support staff	24			
General administration				
School administration				
Operations and maintenance				
Student transportation services	15,870			
Central support services				
Other support services				
Food service operations				
Student activities				
Facility acquisition and construction services				
Debt service				
Operating transfers				
Adjustment for qualifying budget credits				
	<u>131,033</u>	<u>46,200</u>	<u>4,945</u>	<u>10,771</u>
<b>Total Expenditures</b>				
	<u>131,033</u>	<u>46,200</u>	<u>4,945</u>	<u>10,771</u>
Receipts Over (Under) Expenditures	28,052	(17,734)	0	(113)
Unencumbered Cash, Beginning	(35,193)	0	0	0
Prior Year Cancelled Encumbrances	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Unencumbered Cash, Ending</b>	\$ <u>(7,141)</u>	\$ <u>(17,734)</u>	\$ <u>0</u>	\$ <u>(113)</u>



USD #322 ONAGA, KS  
 AGENCY FUNDS  
 Schedule of Receipts and Disbursements  
 For the Year Ended June 30, 2018

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
High School				
FFA - Conc	\$ 5,302	\$ 9,477	\$ 7,258	\$ 7,521
FFA	15,492	26,857	24,165	18,184
FBLA - Conc	4,043	9,871	9,351	4,563
IRC	518		5	513
FBLA	251	2,346	1,941	656
Football	464	1,211	991	684
National Honor Society	8	854	580	282
SADD	109	150	249	10
Spanish Club	3,837	6,735	9,939	633
Student Council	561	2,625	1,974	1,212
The Stampede	0	278		278
Class of 2022	2,642	332	1,415	1,559
Class of 2019	8,055	5,522	4,970	8,607
Class of 2020	2,659	5,502	1,135	7,026
Class of 2021	993	4,753	2,742	3,004
Total	\$ <u>44,934</u>	\$ <u>76,513</u>	\$ <u>66,715</u>	\$ <u>54,732</u>

USD #322 ONAGA, KS  
DISTRICT ACTIVITY FUNDS  
Schedule of Receipts, Expenditures, and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2018

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Gate Receipts</b>							
Grade school	\$ 6,359	\$	\$ 7,641	\$ 7,364	\$ 6,636	\$	\$ 6,636
Athletics							
High School	2,522		46,200	31,850	16,872		16,872
Athletics							
Subtotal Gate Receipts	8,881	0	53,841	39,214	23,508	0	23,508
<b>School Projects</b>							
High School							
Enrollment	120		4,180	4,300	0		-
Teacher/student need	1,923		152	50	2,025		2,025
Band supplies	2,377		164	236	2,305		2,305
Band trip	2,527		3,857	4,149	2,235		2,235
Scholars bowl	966				966		966
Spirit-FB & BB	2,015		2,119	2,791	1,343		1,343
Chess Club	1,073		163	350	886		886
Forensics	788			235	553		553
Faculty	159		200	110	249		249
Kays	2,154		2,889	2,557	2,486		2,486
Library	130				130		130
"O" Club	1,014				1,014		1,014
Play- Music	2,852		558	1,488	1,922		1,922
R-Squad	19			13	6		6
Student activity projects	1,131		23,866	23,503	3,494		3,494
Booster Club	728		260	396	592		592
Ag Tech	136		6,463	5,196	1,403		1,403
Yearbook	2,065		5,474	885	6,654		6,654
Media	0		500	0	500		500
Art	2,009		240	30	2,219		2,219
Grade School							
Book Fair	827		1,595	1,322	1,100		1,100
Locks	341				341		341
Pictures	2,012		2,562	1,136	3,438		3,438
Pop	772		2,021	1,780	1,013		1,013
Student activities	142				142		142
Cheerleaders	497				497		497
Teacher/student need	9,113		103,918	108,510	4,521		4,521
Yearbook	719				719		719
Faculty	193				193		193
Subtotal School Projects	38,802	0	163,181	159,037	42,946	0	42,946
<b>Total District Activity Funds</b>	<u>\$ 47,683</u>	<u>\$ 0</u>	<u>\$ 217,022</u>	<u>\$ 198,251</u>	<u>\$ 66,454</u>	<u>\$ 0</u>	<u>\$ 66,454</u>

**UNIFIED SCHOOL DISTRICT NO. 322**  
Onaga, Kansas

**REGULATORY BASIS  
FINANCIAL STATEMENTS**  
For the year ended June 30, 2018

And

**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

December 29, 2018

Unified School District No.322  
Onaga, KS 66521

Audit of financial statements for the year ended June 30, 2018	\$ 5,100
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Filing fee of Audit to the Municipal Accounting section Division of Accounts and Reports	<u>75</u>
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	<u>\$ 5,175</u>
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December 29, 2018

To the Board of Education  
Onaga Unified School District No. 322

We have audited the financial statement of the governmental activities of Onaga Unified School District # 322 for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards* and OMB Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 29, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Onaga Unified School District No. 322 are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by Onaga Unified School District No. 322 during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Board of Education  
Unified School District No. 322  
Onaga, Kansas

## **INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 322 Onaga, Kansas as of and for the year ended June 30, 2018, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1: this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.